



# Combined Heat and Power Capital Grant Program

Combined heat and power (CHP) – also known as cogeneration – is an efficient, clean and reliable way to generate electricity and heat from a single fuel source. Gas turbines, microturbines, reciprocating engines, steam turbines and fuel cells are examples of commercially available CHP technologies. Installing a CHP system to meet your facility's thermal and electrical base loads can significantly increase operational efficiency and decrease energy costs.

As directed by Section 116(f) of Public Act 11-80, the Department of Energy and Environmental Protection (DEEP) established the Combined Heat and Power Grant Program (CHP Grant Program) as a financial incentive program to encourage the installation of CHP systems of one megawatt (MW) of power or less in Connecticut.

## QUALIFICATION REQUIREMENTS

CHP projects commenced on or after October 1, 2011, will be eligible to apply for inclusion in DEEP's CHP Grant Program. To qualify, prospective CHP projects must:

- Have a nameplate capacity of one MW or less.
- Be located within the service territories of Connecticut Light and Power Company (CL&P) and United Illuminating Company (UI).
- Reduce energy costs at an amount equal to or greater than the amount of the installation cost of the CHP system within ten years of installation.
- Have an operating efficiency level of at least 50%, and contribute at least 20% of its energy output to electricity and at least 20% of its energy output to thermal energy.

Qualifying CHP Grant Program projects are awarded a capital grant at the set incentive of \$200 per kilowatt (kW) of nameplate capacity. Project completion must be achieved within two years of grant approval, or the awarded capital grant may be reduced or rescinded.

CHP projects that qualify for DEEP's CHP Grant Program are ineligible to participate in the CHP Pilot Program administered by the Clean Energy Finance and Investment Authority (CEFIA), the Zero-emissions and Low-emissions Renewable Energy Credit (ZREC/LREC) Program, and other similar programs subsidized by CL&P and UI ratepayers.

Interested parties can download the CHP Capital Grant Application Form at:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/97a6f8f634334c6d85257aee005382c5?OpenDocument>

The completed application must be addressed to:

**Attn: Deb Morrell, Bureau of Energy and Technology Policy, Department of Energy and Environmental Protection, 10 Franklin Square, New Britain, CT 06051.**

For assistance with the application or for more information about the CHP Grant Program, please contact:

**Gail Lucchina, DEEP's CHP Grant Program Coordinator**

Phone: (860) 827-2672

Email: [gail.lucchina@ct.gov](mailto:gail.lucchina@ct.gov)

## ADDITIONAL FINANCIAL INCENTIVES

Qualifying CHP projects may be eligible for additional financial incentives:

**Low-interest loan program.** A low-interest loan program is available through Bank of America for loans of \$1 million or more, at a subsidized interest rate that is 1% below the applicable rate or no more than the prime rate. For more information, contact:

**Lisa Tames, Bank of America**

Phone: (646) 855-4415 Email: [lisa.tames@baml.com](mailto:lisa.tames@baml.com)

**Waiver of natural gas distribution charges.** Certain distribution charges may be waived for CHP projects that use natural gas supplied by Connecticut Natural Gas (CNG), Southern Connecticut Gas (SCG), or Yankee Gas Services (Yankee). For more information, contact:

**Erik Robie, SCG/CNG**

Phone: (203) 499-2302

Email: [erik.robie@uinet.com](mailto:erik.robie@uinet.com)

**Michael Collins, Yankee**

Phone: (860) 665-2151

Email: [michael.collins@nu.com](mailto:michael.collins@nu.com)

**Elimination of electric backup rates and demand ratchets.** The backup rates and demand ratchets for CL&P and UI customers who install CHP projects may be eliminated. *Note: Any generation that interconnects to the distribution system must maintain compliance with certain interconnection standards.* For more information, contact:

**David Ferrante, CL&P**

Phone: (860) 665-5517

Email: [david.ferrante@nu.com](mailto:david.ferrante@nu.com)

**Terri Eller, UI**

Phone: (203) 499-2317

Email: [terri.eller@uinet.com](mailto:terri.eller@uinet.com)

**Sale of Renewable Energy Certificates (RECs).** CHP projects that use renewable energy sources may qualify for Class I or Class III RECs, which can be sold in the wholesale energy market in accordance with the Connecticut Renewable Portfolio Standard (RPS). To learn more, visit DEEP's RPS website at:

[www.ct.gov/deep/cwp/view.asp?a=4405&Q=522124&deepNav\\_GID=2121](http://www.ct.gov/deep/cwp/view.asp?a=4405&Q=522124&deepNav_GID=2121).

**Incentives via CEFIA programs.** CHP projects that utilize renewable energy sources may also qualify for incentives through programs offered by CEFIA, except for its CHP Pilot Program. For more information about its incentive programs, visit CEFIA's website at [www.ctcleanenergy.com](http://www.ctcleanenergy.com), or contact:

**Dale Hedman, CEFIA**

Phone: (860) 563-0015

Email: [dale.hedman@ctcleanenergy.com](mailto:dale.hedman@ctcleanenergy.com)

## SITING APPROVALS AND ENVIRONMENTAL PERMITS

CHP projects with a capacity of one MW or less generally do not need the approval of the Connecticut Siting Council (CSC); however, all projects involving fuel cells must receive CSC approval. For specific information, contact:

**Linda Roberts, Connecticut Siting Council**

Phone: (860) 827-2935

Email: [siting.council@ct.gov](mailto:siting.council@ct.gov)

CHP projects may be subject to environmental permits. Participants are urged to contact DEEP's Office of the Permit Ombudsman for more information.

**The Office of the Permit Ombudsman, DEEP**

Phone: (860) 424-3003